

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA NETWORK SERVICES, INC.	DOCKET NO. SPU-03-11
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NOTICE OF HEARING

(Issued December 8, 2003)

On July 7, 2003, Iowa Network Services, Inc. (INS), filed a request for immediate disconnection of OneStar Long Distance, Inc. (OneStar). OneStar purchases originating interstate and intrastate centralized equal access services from INS to provide service to its own customers.

INS alleged that as of July 7, 2003, OneStar owed INS for billings equivalent to three and one-half months of service. It further alleged that in February 2003, OneStar entered into a payment arrangement with INS and was now in default of this payment arrangement. INS alleged that it repeatedly requested payment from OneStar and these requests remained unanswered. INS also alleged that on July 7, 2003, it delivered a demand for immediate payment and deposit demand to OneStar and that neither the requested delinquent amount nor the requested deposit had been paid. INS provided a notice of termination to OneStar in the demand letter.

INS requested permission from the Board to disconnect OneStar pursuant to Iowa Code § 476.20 (2003) and its tariff. INS further requested the Board to issue an expedited order confirming that INS had basis to reasonably believe that the prospect

of due and punctual payment for the services of INS was impaired and that INS had provided sufficient notice of its demand for deposit and intent to disconnect access services upon nonpayment of the deposit. INS requested the Board to issue an expedited order authorizing INS to discontinue access service to OneStar after July 13, 2003.

On July 16, 2003, the Board issued an order in which it found that INS had provided sufficient information so that an immediate hearing should be set, assigned the case to the undersigned administrative law judge, and set the hearing for July 24, 2003. A link to the Board's orders is on the Board's website at www.state.ia.us/iub. OneStar was not served with the notice of hearing, so the hearing was rescheduled to July 31, 2003.

On July 30, 2003, a conference call with the parties was held in which OneStar and INS stated they had reached an agreement to settle the case. In an order issued July 31, 2003, the hearing was cancelled, the parties were ordered to submit a written settlement agreement for approval, and OneStar was ordered to file a current list of its Iowa customers.

On August 5, 2003, INS filed the following exhibits: a negotiated payment arrangement between INS and OneStar, a notice INS would fax to its participating telephone companies should a disconnection take place, and a message INS would provide to OneStar customers attempting to make a call if OneStar were disconnected. INS stated it was submitting the payment arrangement as the

settlement agreement. On August 8, 2003, OneStar filed a list of its Iowa customers. In their respective filings, INS and OneStar stated that OneStar submitted a payment to INS on July 31, 2003, covering all past due invoices.

In an order issued August 21, 2003, the payment arrangement was approved as the settlement of this matter between the parties. The proposed notification to customers was not approved.

At INS' request, the docket was held open for a period of six months from the date of issuance of the order to permit INS to seek an expedited hearing or other appropriate relief if the payment arrangement were broken or future payments within the six-month period were not made on a timely basis.

On December 3, 2003, INS filed a second request for immediate disconnection of services to OneStar. In its request, INS alleged that on November 20, 2003, OneStar failed to remit payment for centralized equal access charges in the amount of \$2,243.32, and that the billing was past due. It further alleged that the next payment for access charges was due on December 5, 2003, in the amount of \$1,792.82. INS also alleged OneStar failed to pay the November Integrated Services User Part (ISUP) charge of \$100, which was due on December 1, 2003. INS further alleged it had contacted OneStar regarding the missed payment, and the only information OneStar provided to INS was that INS would receive a letter in the next few weeks regarding past due invoices. INS further alleged that although access traffic to OneStar's switches has decreased, traffic

continues and access charges continue to be billed. INS further alleges that on November 26, 2003, OneStar notified INS that OneStar was “decommissioning switches all over” and that “OneStar would be ordering disconnects for the remaining DS1 and DS3 circuits that are with INS and that OneStar was changing the direction of the company.”

INS requests permission to disconnect OneStar pursuant to Iowa Code § 476.20(1) (2003). It requests that the Board issue an expedited order confirming that INS has basis to reasonably believe that the prospect of due and punctual payment for services of INS is impaired and that prior payment arrangements have been broken by OneStar. It further requests an expedited order that, pursuant to its tariff and in compliance with Iowa law, INS is authorized to discontinue access service to OneStar by removal of the Carrier Identification Codes (CIC) assigned to OneStar from INS switches, upon issuance of a Board order.

INS’ request for immediate disconnection filed with the Board on December 3, 2003, does not have a certificate of service as required by 199 IAC 1.8(4), so it is unclear whether INS served the request on the other parties to this case, who are OneStar and the Consumer Advocate Division of the Department of Justice (Consumer Advocate). INS must immediately file proof that it served the request on OneStar and the Consumer Advocate as required.

INS has provided sufficient information so that an immediate hearing should be set. At the hearing, INS must be prepared to provide evidence to support the

information already provided in its request for immediate disconnection. It must also file a proposed plan for notification of OneStar's remaining Iowa customers if INS is allowed to immediately disconnect OneStar as requested. At the hearing, OneStar must be prepared to respond to the allegations and show why it should not be immediately disconnected. OneStar filed a current list of its Iowa customers with the Board on August 8, 2003. OneStar must file an updated current list of its Iowa customers on or before the date of the hearing. On or before the date of the hearing, OneStar must also file written notification with the Board whether it plans to continue to serve Iowa customers as a telecommunications service provider.

The issue in this case is whether INS's request for immediate disconnection should be granted. The Board has jurisdiction of the parties and subject matter pursuant to Iowa Code chapter 476 and the Board's rules at 199 IAC 22. Conduct of the case is governed by Iowa Code Chapters 17A and 476 and by Board rules at 199 IAC Chapters 1, 7, and 22. Links to the Iowa Code and the Board rules are on the Board's website at www.state.ia.us/iub.

The parties are hereby notified that pursuant to Iowa Code § 17A.12(3), if a party fails to appear or participate in the hearing, the administrative law judge may enter a default decision or proceed with the hearing and make a decision in the absence of the party.

IT IS THEREFORE ORDERED:

1. A public hearing for the presentation of evidence and the cross-examination of witnesses concerning the issues identified in this notice of hearing will be held beginning at 10 a.m. on Wednesday, December 17, 2003, in the Board hearing room, 350 Maple Street, Des Moines, Iowa. The parties must be prepared to present evidence as discussed in the body of this order. Persons with disabilities who will require assistive services or devices to observe this hearing or participate in it should contact the Board at (515) 281-5256 no later than December 15, 2003, to request that appropriate arrangements be made.

2. INS must immediately file proof that it served its second request for immediate disconnection, filed with the Board on December 3, 2003, on OneStar and the Consumer Advocate as discussed in the body of this order.

3. On or before the date of the hearing, OneStar must file an updated current list of its Iowa customers with the Board. On or before the date of the hearing, OneStar must also file written notification with the Board whether it plans to continue to serve Iowa customers as a telecommunications service provider.

4. A copy of this order will be served by regular U.S. mail on OneStar and INS and will be hand delivered to the Consumer Advocate. In addition, a copy of this order will be faxed to Ms. Ami M. Larrison, Director of Regulatory Affairs, OneStar Communications, LLC at 812-437-7988, the contact person identified by OneStar on its Telecommunications Service Provider Registration filed July 12, 2001, and to

Mr. Richard M. Vohs, President and Chief Executive Officer, Iowa Network Services, Inc., at 515-830-0123, the contact person identified by INS on its December 3, 2003, filing.

UTILITIES BOARD

/s/ Amy L. Christensen
Amy L. Christensen
Administrative Law Judge

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 8th day of December, 2003.